"THAT COUNTRY IS THE MOST PROSPEROUS WHERE LABOR COMMANDS THE GREATEST REWARD."-BUCHANAN.

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PRESIDENT'S MESSAGE Fellow Citizens of the Senate and House of

In obedience to the command of the constitution, it has now become my duty "to give to Congress information of the state of the Union, and recommend to their consideration such measures " as I judge to be " necessary

But first, and above all, our thanks are due to Almighty God for the numerous benefits which He has bestowed upon this people, and our united prayers ought to ascend to Him that He would continue to bless our great republic in time to come as He has blessed it in time past. Since the adjournment of the last Congress our constituents have enjoyed an unusual degree of health. The earth has yielded her fruits abundantly, and has bountifully rewarded the toil of the husbandman Our great staples have commanded high prices and, up to within a brief period, our manufac g, mineral, and mechanical occupations have largely partaken of the general prosper-ity. We have possessed all the elements of material wealth, in such abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is at the present moment in a deplorable condition.

In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our man ufactures suspended, our public works retar-ded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very

large in amount.
Under these circumstances a loan may be required before the close of your present session; but this, although deeply to be regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the government cannot fail deeply to sympathize, though it may be without the power

It is our duty to inquire what has produced such unfortunate results, and whether their recurrence can be prevented? In all former revulsions the blame might have been fairly attributed to a variety of co-operating causes; but not upon the present occasion. It is apparent that our existing misfortunes have proceeded solely from our extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks. These revulsions must continue to recur at successive intervals so long as the amount of the paper currency and bank loans and discounts of the country shall be left to the discretion of fourteen hundred esponsible banking institutions which fron the very law of their nature will consult the interest of their stockholders rather than the

The framers of the constitution, when they gave to Congress the power "to coin money and to regulate the value thereof," and prohibited the States from coining money, emit ting bills of credit, or making anything but old and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a government endowed with the sovereign attribute of ment endowed with the sovereign attribute of could not, if it would, regulate the issuance of the inhabitants a separate government of their inhabitants a separate government of the sovereign the remainder of Honduras, and gave to ment endowed with the sovereign attribute of bank could not, if it would, regulate the issuance of the sovereign to find the remainder of Honduras, and gave to ment endowed with the sovereign attribute of bank could not, if it would, regulate the issuance of the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the republic of Honduras, in the sovereign to find the sovereign to find the republic of Honduras, in the sovereign to find the sovere of should have no power to prevent others from driving this coin out of the country and filling up the channels of circulation with paper which does not represent gold and silver. It is one of the highest and most responsible duties of the government to insure to the people a sound circulating medium. The amount of which ought to be adapted with the utmost possible wisdom and skill to the wants of internal trade and foreign exchange. If this be either greatly above or greatly below the prop-er standard, the marketable value of every man's property is increased or diminished in the same proportion, and injustice to individuals as well as incalculable evils to the community in consequence.

Unfortunately, under the construction of the federal constitution, which has now prevailed too long to be changed, this important and delicate duty has been dissevered from the coining power and virtually transferred to in fourteen hundred State banks, acting independently of each other, and regulating their paper issues almost exclusively by a regard to the present interest of their stockholders. Exercising the sovereign power of providing a paper currency, instead of coin, for the country, the first duty which these banks owe to the public is to keep in their vaults a sufficient amount of gold and silver to insure the convertibility of their notes into coin at all times and under all circumstances. No bank ought ever to be chartered without

such restrictions on its business as to secure

this result. All other restrictions are com

paratively vain. This is the only true touchstone, the only efficient regulator of a paper currency—the only one which can guard the public against ower issues and bank suspensions. As a collateral and eventful security it is doubtless wise, and in all cases ought to be required, that banks shall hold an amount of United States or State securities equal to their notes in circulation and pledged for their redemp-tion. This however, furnishes no adequats security against over-issues. On the contrary, it may be perverted to inflate the currency.— Indeed, it is possible by this means to convert all the debts of the United States and State Governments into bank notes, without reference to the specie required to redeem them. However valuable these securities may in themselves, they cannot be converted into

gold and silver at the moment of pressure, as our experience teaches, in sufficient time to event bank suspensions and the depreciation bank notes. In England, which is to a considerable extent a paper money country, though vastly behind our own in this respect, it was deemed advisable, anterior to the act o Parliament of 1844, which wisely separated the issue of notes from the banking department, for the Bank of England always to keep on hand gold and silver equal to one-third of its combined circulation and deposits.

If this proportion was no more than sufficient to secure the convertibility of its notes, with the whole of Great Britain, and to some extent the continent of Europe as a field for its circulation, rendering it almost impossible that a sudden and immediate run to a dangerount should be made upon it, the same proportion would certainly be insufficient under our banking system. Each of our four-teen hundred banks has but a limited circumference for its circulation, and in the course of very few days the depositors and note holders might demand from such a bank a sufficient amount in specie to compel it to suspend, even although it had coin in its vaults equal to one-third of its immediate lia-

. And yet I am not aware, with the exception of the banks of Louisiana, that any State bank throughout the Union has been required by its charter to keep this or any other proportion of gold and silver compared with the amount of its combined circulation and deposites.— What has been the consequence? In a recent report made by the Treasury Department oe the condition of the banks throughout thn different States, according to returns dated nearest to January, 1857, the agregate amount of actual specie in their vaults is \$58,349,838, of their circulation \$214,778,822, and of their deposites \$230,351,352. Thus it appears that these banks in the agregate have consderably less than one dollar in seven of gold and silver

compared with their circulation and deposites It was palpable, therefore, that the very first pressure must drive them to suspension, and de prive the people of a convertible currency with all its disastrous consequences. It is truly wonderful that they should have so long continued to preserve their credit, when a demand for the payment of one seventh of their immediate liabilities would have driven them into insolvency. And this is the condition of the banks, notwithstanding that four hundred millions of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed, such that the treaty would place both powers upon has been the extravagance of bank oredits that the banks now hold a considerably less amount of

and deposites; in 1857 it is not equal to one dollar in seven and a half of their circulation and de

in seven and a half of their circulation and deposites.

From this statement it is easy to account for our financial history for the last forty years. It has been a history of extravagant expansions in the business of the country, followed by ruinous contractions. At successive intervals the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit, exciting them to extravagant importations of foreign goods, wild speculations, and ruinous and demoralizing stock gambling. When the crisis arrives, as arrive it must, the banks can extend no relief to the people. In a vain straggle tend no relief to the people. In a vain struggle to redeem their liabilities in specie they are com-pelled to contract their loans and their issues; and at last, in the hour of distress, when their as-sistance is most needed, they and their debtors to gether sink into insolvency.

It is this paper system of extravagant expan-

It is this paper system of extravagant expan-sion, raising the nominal price of every article far beyond its real value, when compared with the cost of similar articles in countries whose circula-tion is wisely regulated, which has prevented us from competing in our own markets with foreign manufactures, has produced extravagant importa-tions and has counteracted the effect of the large incidental protection afforded to our domestic manufactures by the present revenue tarifficom manufactures by the present revenue tariff com-posed of raw materials, the production of our own country—such as cotton, iron and woollen fabrics

Deplorable, however, as may be our present

Deplorable, however, as may be our present financial condition, we may yet indulge in bright hopes or the future. No other nation has ever existed which could have endured such violent expansions and contractions of paper credit without lasting injury; yet the buoyancy of youth, the energies of our population, and the spirit which never qualis before difficulties, will enable us soon to recover from our present financial embarrassment, and may even coession us speedily to forget the lesson which they have taught.

In the meantime it is the duty of the government by all proper means within its power, to aid in alleviating the sufferings of the people coessioned by the suspension of the banks, and to provide against the recurrence of the same calamity—Unfortunately, in either aspect of the case, it can do but little. Thanks to the independent treasury the government has not suspended payment, as it the government has not suspended payment, as it was compelled to do by the failure of the banks in 1837. It will continue to discharge its liabilities to the people in gold and silver "Its disbursements in coin will pass into circulation, and materially exist in reteriors." ments in coin will pass into circulation, and materially assist in restoring a sound currency. From its high credit, should we be compelled to make a temporary loan, it can be effected on advantageous terms. This, however, shall, if possible, be dvoided; but, if not, then the amount shall be limited to the legact practicable sum.

to the lowest practicable sum. I have, therefore, determined that whilst no useful government works already in progress shall be suspended, new works, now already commenced, will be postponed, if this can be done without injury to the country. Those necessary for its defence shall proceed as the state the tree recognise and respect in all future time the independence and rights of the said free territory as a part of the republic of Honduras."

But the Federal Government cannot do much o provide against a recurrence of existing evils. Even if insurmountable constitutional bank could not, if it would, regulate the issues and credits of fourteen hundred State In 1825 an effort was made by the Bank of England to curtail the issues of the country banks under the most favorable circumstances.

The paper currency had been expanded to a ruinous extent, and the bank put forth all its power to contract it in order to reduce prices and restore the equilibrium of foreign ex-changes. It accordingly commenced a system of curtailment of its loans and issues, in the or curtainment of its ions and issues, in the vain hope that the joint stock and private banks of the kingdom would be compelled to follow its example. It found, however, that as it contracted they expanded, and at the end of the process, to employ the language of a very high official authority, "whatever reduc-tion of the paper circulation was effected by the Bank of England (in 1825) was more than made up by the issues of the country banks."

But the Bank of the United States would not, if it could, restrain the issues and loans of the State banks, because its duty as a regulator of the currency must often be in a direct conflict with the immediate interests of its connict with the immediate interests of its stockholders. If we expect one agent to re-strain or control another, their interests must, at least in some degree, be antagonistic. But the directors of a Bank of the United States would feel the same interest and the same in clination with the directors of the State banks to expand the currency, to accommodate their favorites and friends with loans, and to declare large dividends. Such has been our experi-

ence in regard to the last bank. ence in regard to the last bank.

After all, we must mainly rely upon the patriotism and wisdom of the States for the prevention and redress of the evil. If they will afford us a real specie basis for our paper circulation by in creasing the denomination of bank notes, first to reasing the denomination of bank notes, first to twenty, and afterwards to fifty dollars; if they will require that the banks shall at all times keep on hand at least one dollar of gold and silver for every three dollars of their circulation and deposits; and if they will provide by a self-executing enactment, which nothing can arrest, that the moment they suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by each bank of a statement of its condition, would go far to secure us against future suspensions of specie payments.

Congress, in my opinion, possess the power to pass a uniform bankrupt law applicable to all banking institutions throughout the United States and I strongly recommend its exercise. This would make it the irreversible law of each bank's existence, that a suspension of specie payments

existence, that a suspension of specie payments shall produce its civil eath. The instinct of self preservation would then compel it to perform its duties in such a manner as to escape the penalty and preserve its life.

The existence of banks and the circulation

of bank paper are so identified with the hab-its of our people, that they cannot at this day be suddenly abolished without much immedite injury to the country. If we could confine them to their appropriate sphere, and prevent them from administering to the spirit of wild and reckless speculation by extravagant loans and issues, they might be continued with ad-

vantage to the public But this I say, after long and much reflection: if experience shall prove it to be impos-sible to enjoy the facilities which well-regula-ted banks might afford, without at the same time suffering the calamities which the exces of the banks have hitherto inflicted upon the country, it would be far the lesser evil to de prive them altogether of the power to issue a

paper currency and confine them to the func-tions of banks of deposite and discount. Our relations with foreign governments are, upon the whole, in a satisfactory condition. The diplomatic difficulties between the Government of the United States and that of Great Britain at the adjournmen of the last Congress have been happily termi nated by the appointment of a British minis ter to this country, who has been cordially

received. Whilst it is greatly to the interest, as I am convinced it is the sincere desire, of the governments and people of the two countries to be on terms of intimate friendship with each other, it has been our misfortune almost always to have had some irritating, if not dan gerous, outstanding question with Great Brit-

Since the origin of the government we have been employed in negotiating treaties with that power, and afterwards in discussing their that power, and ancerwards in discussing their true intent and meaning. In this respect, the convention of April 19, 1850, commonly called the Clayton and Bulwer treaty, has been the most unfortunate of all; because the two gov ernments place directly opposite and contradictory constructions upon its first and most

important article.

true construction of this language has left them in the rightful possession of all that portion of Central America which was in their occupancy at the date of the treaty; in fact, that the treaty is a virtual recognition on the part of the United States of the right of Great Britain, either as owner or protector, to the whole extensive coast of Central America, sweeping round from the Rio Hondo to the port and harbor of San Juan del Nicaragua, together with the adjacent Bay Islands, except the comparatively small portion of this between the Sarstoon and Cape Hondurac. According to their construction the treaty does no more than simply prohibit them from extending their possessions in Central America beyond the present limits. It is not too much to assert that if in the United States the treaty had been that if in the United States the treaty had been considered susceptible of such a construction

it never would have been negotiated under the authority of the President, nor would it have received the approbation of the Senate. The universal conviction in the United States was, that when our government consented to vio-late its traditional and time-honored policy, and to stipulate with a foreign government never to occupy or acquire territory in the Central American portion of our own conti-nent, the consideration for this sacrifice was that Great Britain should, in this respect at least, be placed in the same position with our selves. Whilst we have no right to doubt the construction of the treaty, it is at the same time my deliberate conviction that this con-

struction is in opposition both to its letter and

its spirit. Under the late administration negotiations were instituted between the two governments for the purpose, if possible, of removing these difficulties; and a treaty having this laudable object in view was signed at London on the 17th October, 1856, and was submitted to the Senate on the following 10th of December.— Whether this treaty, either in its original or omended form, would have accomplished the abject intended without giving birth to new and embarrassing complication between the two overnments, may perhaps be well questioned. Certain it is, however, it was rendered much less objectionable by the different amendments made to it by the Senate. The treaty, as amended, was ratified by me on the 12th March 1857, and was transmitted to London for ratifi-tion by the British government. That government expressed its willingness to concur in all the amendments made by the Senate with the single exception of the clause relating to Ruatan and the other islands in the Bay of Hon-duras. The article in the original treaty, as submitted to the Senate, after regiting that these islands and their inhabitants "having been by a convention bearing date the 27th day of August, 1850, between her Brittannic Majesty and the republic of Honduras, constituted and declared a free territory under the sovereignty of the said republic of Honduras," stipulated that "the two contracting powers do hereby

Upon an examination of this convention be tween Great Britain and Honduras of the 27th August, 1856, it was found that, whilst declaring the Bay Islands to be "a free territory under the soverignty of the republic of Hondurss," it deprived that republic of the rights executive, and It deprived the government of Honduras of

the taxing power in every form, and exempted the people of the insland from the perforfor their protection—thus leaving them open to invasion from any quarter; and, finally, it provided "that slavery shall not at any time hereafter be permitted to exist therein.? Had Honduras ratified this convention, she would have ratified the establishment of a

State substantially independent within her own limits, and a State at all times subject to British influence and control. Moreover, had the United States ratified the treaty Great Britain in its original form, we should have been bound "to recognize and respect in all future time" these stipulations to the prejudice of Honduras. Being in direct opposi-tion to the spirit and meaning of the Clayton and Bulwer treaty as understood in the United States, the Senate rejected the entire clause, and substituted in its stead a simple recognition of the sovereign right of Honduras to these islands in the following language: "The two contracting parties do hereby mutually engage to recognize and respect the islands of Ruatan, Bonaco, Utila, Barbaretta, Helena and Morat, situate in the Bay of Hon duras, and off the coast of the republic of Honduras, as under the sovereignty and as part of the said republic of Honduras."

Great Britain rejected this amendment, assiging as the only reason, that the ratification of the convention of the 27th August, 1856, between her and Honduras, had not been "ex-changed, owing to the hesitation of the gov-Had this been done, it is stated that "her Majesty's government would have had little difficulty in agreeing to the modifi-cation proposed by the Senate, which then would have in effect the same signification as the original wording." Whether this would have been the effect; whether the mere circumstance of the exchange of the ratifications of the British convention with Honduras prior n point of time to the ratification of our treswith Great Britain would, "in effect," have had "the same signification as the original wording," and thus nullified the amendment of the Senate, may well be doubted. It is, perhaps, fortunate that the question has nev-

The British government immediately after rejecting the treaty as amended, proposed to enter into a new treaty with the U. States, similar in all respects to the treaty which they had just refused to ratify, if the United States would consent to add to the Senate's clear and unqualified recognition of the sovereignty of Honduras over the Bay Islands the following onditional stipulation: "Whenever and so oon the republic of Honduras shall have con cluded and ratified a treaty with Great Brit-ain, by which Great Britain shall have ceded, and the republic of Honduras shall have ac cepted, the said islands, subject to the provisions and conditions contained in such treaty." This proposition was, of course, rejected.—After the Senate had refused to recognize the British convention with Honduras of the 27th of August, 1856, with full knowledge of its contents, it was impossible for me, necessarily ignorant of "the provisions and conditions" which might be contained in a future conven-

tion between the same parties, to sanction them in advance. The fact is, that when two nations like Great Britain and the United States, mutually destroes the sirous as they are, and I trust ever may be, of maintaining the most friendly relations with each other, have unfortunately concluded a treaty which they understand in senses directly opposite, the wisest course is to abrogate such a treaty by mutual consent, and to commence anew. Had this been done promptly, all difficulties in Central America would r probably, ere this, have been adjusted to the satisfaction of both parties. The time spent in discussing the meaning of the Clayton and Bulwer treaty would have been devoted to his praisworthy purpose, and the task would have been the most easily accomplished be-cause the interest of the two countries in Central America is identical, being confined to

ecuring safe transits over all the routes across the Isthmus.

Whilst entertaining these sentiments, I shall the sentiments of the sentiments of the sentiments. nevertheless not refuse to contribute to any rea-sonable adjustment of the Central America quessonable adjustment of the Central America ques-tions which is not practically inconsistent with the American interpretation of the treaty. Over-tures for this purpose have been recently made by the British government in a friendly spirit, which I cordially reciprocate; but whether this renewed effort will result in success I am not yet prepared to express an opinion. A brief period will deter

With France our ancient relations of friendship

*pecie, either in proportion to their capital or to their capital or to did before the discovery of gold in California.

Whilst in the year 1848 their specie in proportion to their capital was more than equal to one dollar for every six dollars and hitty-three cents of their capital. In the year 1848 the specie was equal within a very small fraction to one dollar in five of their circulation and deposites; in 1857 it is not equal to one dollar in five of their capital or to one dollar in five of their capital or to one dollar in five of their circulation and deposites; in 1857 it is not equal to one dollar in five of their capital or to their capital or to one dollar for every six dollars and hitty-three cents of their capital. In the year of their capital or to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their capital or to their capital or to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their capital or to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their circulation and deposites in 1857 it is not equal to one dollar in five of their circulation and deposites in the first and highest duties of the interders as a nation, than the true construction of such enterprises, in violation of interders, in its one of the first and highest duties of the people of Kansas, either for or against the people of Kansas, either for or in proportion to interders, in violation of the law of nations.

It is one of the first and highest duties of the people of Kansas, either for or in proportion to interders, in violation of the line peopl

productions of the respective to the might enter into the proposed arrangement with United States. The act of May 24, 1828, removed this restriction, and offered a similar reciprocity to all such vessels without reference to the origin of their cargoes. Upon these principles, our commercial treaties and arrangements have been foundationally and the second to the commercial treaties and arrangements have been foundationally as the second to the se

With all other European governments, exept that of Spain, our relations are as peaceful as we could desire. I regret to say that no progress whatever has been made, since the adjournment of Congress, towards the settlement of any of the numerous claims of our citizens against the Spanish government. Besides, the ontrage committed on our flag by the Spanish war frigate Ferrolana on the high seas, off the coast of Cuba, in March, 1851, by firing into the American mail steamer El Dorado, and detaining and searching her, remains acknowledged and unredressed The general tone and temper of the Spanish government towards that of the United States are much to be regretted. Our present envoy extraordinary and minister plenipotentiary to Madrid has asked to be recalled; and it is my purpose to send out a new minister to Spain, with special instructions on all questions pending between the two govern-ments, and with a determination to have them speedily and amicably adjusted, if possible. In the meantime, whenever our minister urges the just claims of our citizens on the notice of the Spanish government, he is met with the objection that Congress have never never made the appropriation recommended by President Polk in his annual message of December, 1847, "to be paid to the Spanish government for the purpose of distribution in the Amistad case." A similar recommendation was made by his immediate predeces sor in his message of December, 1853; and entirely concurring with both in the opinion that this indemnity is justly due under the treaty with Spain on the 26th October, 1795, I earnestly recommend an appropriation to the favorable consideration of Congress.

A treaty of friendship and commerce was concluded at Constantinople on the 13th De-cember, 1856, between the United States and Persia the ratifications of which were exchanged at Constantinople on the 13th June 1857 and the treaty was proclaimed by the President on the 18th of Angust, 1857. This treaty, it is beleived, will prove beneficial to American commerce. The Shah has manifes ted an earnest disposition to cultivate friendly relations with our country, and has expressed a strong wish that we should be represented at Teheran by a Minister Plenipotentiary; and I recommend that an appropria tion be made for this purpose.

Recent occurrences in China have been unfavorable to a revision of the treaty with that empire of the 3d July, 1843, with a view mances of military duty except for their own to the security and extension of our comexclusive defence. It also prohibited that republic from erecting fortifications upon them ulated for a revision of it, in case experience merce. The 24th attack of this teasy superience should prove this to be requisite; "in which case the two governments will, at the expiration of twelve years from the date of said convention, treat amicably concerning the same, by means of suitable persons appoint-

ed to conduct such negotiations."

These twelve years expired on the 3d of July, 1856; but long before that period it was ascertained that important changes in these treaty were necessary; and several fruitles attempts were made by the commissioners of the United States to effect these changes. Another effort was about to be made i the same purpose by our commissioner, in conjunction with the ministers of England and France, but this was suspended by the occurrence of hostilities in the Canton River between Great Britain and the Chinese Em

These hostilities have necessarily inter rupted the trade of all nations with Canton which is now in a state of blockade, and have occasioned a serious loss of life and erty. Meanwhile the insurrection with in the empire against the existing imperial dynasty still continues, and it is difficult to anticipate what will be the result.

Under these circumstances, I have deeme

it advisable to appoint a distinguished citizen of Pennsylvania Envoy Extraordinary and Minister Plenipotentiary to proceed to China, and to avail himself of any opportunities which may offer to effect changes in the ex isting treaty favorable to American commerce. He left the United States for the place of his destination in July last, in the war steamer Minnesota. Special Ministers to China have been appointed by the governments of Great Britain and France.

Whilst our minister has been instructed to occupy a neutral position in reference to the existing hostilities at Canton, he will cordially co operate with the British and French ministers in all peaceful measures to secure by treaty stipulations those just con cessions to commerce which the nations the world have a right to expect, and which China cannot long be permitted to withhold. From assurances received. I entertain no harmonious concert to obtain similar commercial treaties for each of the powers they

represent.

We cannot fail to feel a deep interest in all that concerns the welfare of the independen republics on our own continent, as well of the empire of Brazil

Our difficulties with New Grenada, which short time since bore so threatening an aspect, are, it is to be hoped, in a fair train of settlement in a manner just and honorable

The Isthmus of Central America, including that of Panama, is the great highway between the Atlantic and Pacific, over which a large portion of the commerce of the world is destined to pass. The United States are more deeply interested than any other nation in preserving the freedom and security of all the communications across this Isthmus.— It is our duty, therefore, to take care that they shall not be interrupted either by invasions from our own country or by wars be tween the independent States of Central

Under our treaty with New Grenada the 12th December, 1846, we are bound to guarantee the neutrality of the Isthmus of Panama, through which the Panama railroad passes, "as well as the rights of sovereignty and property which New Granada has and possesses over the said Territory." This obligation is founded upon equivalents grant ed by the treaty to the government and peo-

Under these circumstances, I recommend to Congress the passage of an act authorizing the President, in case of necessity, to employ the land and naval forces of the United States to carry into effect this guarantee of neutrality and protection. I also recommend similar legislation for the security of any other route across the Isthmus in which we may acquire an interest by treaty.

With the independent republics on this

continent it is both our duty and our interest to cultivate the most friendly relations. We can never feel indifferent to their fate, and must always rejoice in their pros-perity. Unfortunately, both for them and for us, our example and advice have lost much of their influence in consequence of the lawless expeditions which have been fitstill continue to exist. The French government ted out against some of them within the lim-have in several recent instances which need not its of our country. Nothing is better calcu-

The most eminent writers on public law do not hesitate to denounce such hostile acts as

robbery and murder.

Weak and feeble States, like those of Central America, may not feel themselves able to assert and vindicate their rights. The case would be far different if expeditions were set on foot within our. own territories to make private war against a powerful na-tion. If such expeditions were fitted out from abroad against any portion of our own country, to burn down cities, murder and the strictest account for not preventing such

mercial treaties and arrangements have been founded, except with France; and let us hope that this exception may not exist.

Our relations with Russia remain as they have ever been,—on the most friendly footing. The present Emperor, as well as his predecessors, have never failed, when the occasion offered, to manifest their good will, to our country; and their friendship has always been highly appreciated by the government and people of the United States.

With all other Rurangan governments, exwerper and the land and nayal forempowered to employ the land and naval for-ces and the militia "for the purpose of preventing the carrying on of any such expedition or enterprise from the territories and jurisdiction of the U. States," and the collectors of customs are authorized and required to detain any vessel in port when there is reason to believe she is about to take part in such

lawless enterprises. When it was first rendered probable that it to a direct vote. How wise, then, was i when it was first rendered probable that it to a direct vote. How wise, then, was it an attempt would be made to get up anothered in the marshals and district attorneys, which were directed by the Secretaries of War and the little a direct vote. How wise, then, was it an attempt would be made to get up anothered for Congress to pass over all subordinate and intermediate agencies, and proceed directly to the source of all legitimate power under our institutions?

How wain would any other principle prove Navy to the appropriate army and navy officers, requiring them to be vigilant and to use their best exertions in carrying into effect the act of 1818. Notwithstanding these precautions, the expedition has escaped from our shores. Such enterprises can do no possible good to the country, but have already inflicted much injury both on its interests and its character. They have prevented peaceable emigration from the United States to the States of Central America, which could not fail to be highly beneficial to all the parties concerned. In a pecuniary point of view alone, our citizens have sustained heavy losses from the seizure and closing of the transit route by the San Juan between the

The leader of the recent expedition was arrested at New Orleans, but was discharged on giving bail for his appearance in the insufficient sum of \$2000 I commend the whole subject to the serious attention of Congress, believing that our duty and our interest, as well as our national Had it then been insinuated from any quar-

character, require that we should adopt such measures as will be effectual in restraining our itizens from committing such outrages.

I regret to inform you that the President of Paraguay has refused to ratify the treaty

between the United States and that State as

purpose in 1853. This enterprise was successfully carried on until February, 1855, when, whilst in the peaceful prosecution of her voyage up the Parana river, the steamer was fired upon by a Paraguayan fort. The fire was returned; but as the Water Witch was of small force, and not designed for offensive operations, she retired from the conflict. The pretext upon which the attack was made was a decree of the President of Para-guay of October, 1854, prohibiting foreign vessels-of war from navigating the rivers of that State. As Paraguay, however, was the owner of one bank of the river of that name. the other belonging to Corrientes, a state of the Argentine Confederation, the right of its government to expect that such a decree would be obeyed cannot be acknowledged. But the Water Witch was not, properly speaking, a vessel-of-war. She was a small steamer engaged in a scientific enterprise intended for ne advantage of commercial States generally to consider the attack upon her as unjustifiale, and as calling for satisfaction from the

Paraguayan government.
Citizens of the United States, also, who were established in business in Paraguay, have had their property seized and taken from them, and have otherwise been treated by the authorities in an insulting and arbitrary manner, which requires redress. demand for these purposes will be made in a firm but conciliatory spirit. This will the more particularly be granted if the Exec-tive shall have authority to use other means in the event of a refusal. This is according-

It is unnecessary to state in detail the alarming condition of the Territory of Kansas at the time of my inauguration. The opposing parties then stood in hostile array against each other, and any accident might have relighted the flames of civil war. 58esides, at this critical moment. Kansas was left without a governor by the resignation of Gov. Gearv.

first Monday of September, for the purpose of framing a constitution preparatory to admission into the union. This law was in the main fair and just; and it is to be regretted that all the qualified electors had not registered themselves and voted under its provi-

At the time of the election for delegates, an extensive organization existed in the Territory, whose avowed object it was, if need be, to put down the lawful government by force, and to establish a government of their own under the so-called Topeka constitution. The persons attached to this revolutionary organization abstained from taking any part in the election.

The act of the territorial legislature had

omitted to provide for submitting to the peo-ple the constitution which might be framed by the convention; and in the excited state of public feeling throughout Kansas, an apprehension extensively prevailed that a design existed to force upon them a constituion in relation to slavery against their will. In this emergency it became my duty, as it was my unquestionable right, having in view the union of all good citizens in support of the territorial laws, to express an opinion on the true construction of the provisions concerning slavery contained in the organic act of Congress of the 30th May, 1854. Congress leclared it to be "the true intent and meanng of this act not to legislate slavery into any Territory or State, nor to exclude it therefrom, but to leave the people thereof perfectly free to form and regulate their domestic institutions in their own way."— Under it Kansas, "when admitted as a State," was to "be received into the Union, with or without slavery, as their constitution may prescribe at the time of their admission.'

Did Congress mean by this language that the delegates elected to frame a constitution should have authority finally to decide the question of slavery, or did they intend by leaving it to the people that the people of Kansas themselves should decide this question by a direct vote? On this subject I confess I had never entertained a serious doubt, and, therefore, in my instructions to Gov. Walker of the 28th March last, I merely said that when "a constitution shall be submitted to the people of the Territory, they must be protected in the exercise of their rights of voting for or against that instrument, and the fair expression of the popular will must not be interupted by fraud or violence." In expressing this opinion it was far from

should not continue to exist. Indeed, this was the only possible mode in which their will could be authentically ascertained.

The election of delegates to a convention must necessarily take place in separate districts. From this cause it may readily happen, as has often been the case, that a majority of the people of a State or Territory are on one side of a question, whilst a majority of the representatives from the several districts into which it is divided may be upon the other side. This arises from the fact that is some districts delegates may be elected by small majorities, whilst in others those of different sentiments may receive majorities sufficiently great not only to overcome the votes given for the former, but to leave a large majority of the whole people in direct opposition to a majority of the delegates.—Besides, our history proves that influences may be brought to bear on the representative sufficiently powerful to induce him to disregard the property in slaves of the majority, the rights of property in slaves now in the Territory are reserved. The number of these is very small; but if it were greater the provision would be equally just and reasonable. These slaves were brought into the Territory under the constitution without slavery be adopted by the votes of these is very small; but if it were greater the provision would be equally just and reasonable. These slaves were brought into the Territory under the constitution without slavery be adopted by the votes of these is very small; but if it were greater the provision would be equally just and reasonable. These slaves were brought into the Territory under the constitution without slavery be adopted by the votes of the majority, the rights of the majority, the rights of the constitution without slavery be adopted by the votes of the majority, the rights of the majority of the the provision would be equally just and reasonable. These slaves new that the constitution without slavery be adopted by the votes of the slavery served. The number of was the only possible mode in which their will could be authentically ascertained. plunder our people, and usurp our government, we should call any power on earth to the strictest account for not recognition. ington, acts of Congress have been in force to punish severely the crime of setting on foot a military expedition within the limits of the U. States; to proceed from there against U. States; to proceed from thence against a nation or State with whom we are at peace. sufficiently powerful to induce him to disregard the will of his constituents. The truth s, that no other authentic and satisfactory mode exists of ascertaining the will of a majority of the people of any State or Territory on an important and exciting question like

that of slavery in Kansas, except by leaving for Congress to pass over all subordinate and

in practice! This may be illustrated by the case of Kansas. Should she be admitted into the Union, with a constitution either maintain ing or abolishing slavery, against the sentiment of the people, this could have no other effect than to continue and to exasperate the exciting agitation during the brief period required to make the constitution conform to the irresistible will of the majority.

The triends and supporters of the Nebraska

and Kansas act, when struggling on a recent occasion to sustain its wise provisions before the great tribunal of the American people, never differed about its true meaning on this subject. Everywhere throughout the Union they publicly pledged their faith and their they publicly pleaged their limit submit the question of slavery to the decision of the bona fide people of Kansas, without any restriction or qualification whatever. All were cordially united upon the great doctrine of popular sov-

ter that it would be a sufficient compliance with the requisitions for the organic law for the members of a convention, thereafter to be elected, to withhold the question of slavery from the people, and to substitute their own will for that of a legally ascertained majority amended by the Senate, the signature of of all their constituents, this would have been which was mentioned in the message of my instantly rejected. Everywhere they remainwhich was mentioned in the message of my predecessor to Congress at the opening of its session in December, 1853. The reasons assigned for this refusal will appear in the correspondence herewith submitted.

It being desirable to ascertain the fitness of the river La Plata and its tributaries for navigation by steam, the United States steamer Water Witch was sent thither for that purpose in 1853. This enterprise was suc-

the Union upon terms of perfect equality with The convention to frame a constitution for Kansas met on the first Monday of September last. They were called together by virtue of an act of the territorial legislature, whose lawful existence had been recognised by Congress in different forms and by differ-ent enactments. A large proportion of the citizens of Kansas did not think proper to register their names and to vote at the election, for delegates; but an opportunity to do this having been fairly afforded, their refusal to avail themselves of their right could in no nanner affect the legality of the convention.

This convention proceeded to frame a constitution for Kansas, and finally adjourned on

the 7th day of November. But little difficulty occurred in the convention, except on the subject of slavery. The truth is that the general provisions of our recent State constitutions are so similar—and, I may add, so excellent—that the difference between them is not essential. Under the earlier practice of the Government, no constitution framed by the convention of a territory preparatory its admission into the Union as a State

to its admission into the Union as a stage had been submitted to the people.

I trust, however, the example set by the last Congress, requiring that the Constitution of Minnesota, "should be subject to the approval and ratification of the people of the proposed State," may be followed on future occasions. I took it for granted that the convention of Kansas would act in accordance with this example, founded, as it is, on correct principles; and hence my instructions to Walker, in favor of submitting the constitution to the people, were expressed in general and unqualified terms.

In the Kansas Nebraska act, however, this requirement as a state of the s

requirement, as applicable to the whole constitution, had not been inserted, and the convention were not bound by its terms to submit any other portion of the instrument to an election, except that which relates to the "domestic institution" of slavery. This On the 19th of February previous, the territorial legislature had passed a law providing for the election of delegates on the third Mon day of June, to a convention to meet on the exclude it therefrom, but to leave the people thereof perfectly free to form and regulate their domestic institutions in their own way. According to the plain construction of the sentence, the words "domestic institutions" have a direct as they have an appropriate reference to slavery. "Domestic institutions" are limited to the family. The relations of the state o tion between master and slave and others are "domestic institutions," and are entirely distinct from institutions of a political character. Besides, there was no question then before Congress, nor indeed has there since been any serious question before

people of Kansas or the country, except that which relates to the "domestic of slavery.

The convention, after an angry and excited debate, finally determined, by a majority of only two, to submit the question of slavery to the people, though at the last, forty-three of the fifty delegates present affixed this

of the fifty delegates present affixeed thir signatures to the constitution.

A large majority of the Convention were in favor of establishing slavery in Kansas. They accordingly inserted an article in the Constitution for this purpose similar in form to these which had been adopted by other territorial Conventions. In the schedule, however, providing for the transition from a territorial to a State government, the question has been fairly and explicitly referred to the people, whether they will have a constitution with or without slavery. It declares that, before the constitution adopted by the Convention "shall be sent to Congress for admission into the Union as a State," an election shall be held to decide this question, at which all the white maie inhabitants of the Territory, above the age of 21, are entitled to vote. They are to vote by ballot: and "the ballots cast at said election shall be endorsed 'constitution with slavery,' and 'constitution with no slavery.' If there he a majority in favor of the "constitution with slavery,' then it is to be transmitted to Congress by the President of the Convention in its original form. If, on the contrary, there shall be a majority in favor of the "constitution with no slavery," "then it is to be transmitted to Congress by the President of the Convention in a tricke providing for slavery shall be stricken from the constitution by the President of this convention:" and it is expressly declared that "no slavery shall exist in the State of Kansas, except that the right of property in slaves now in the Territory shall in no manner be interfered with: "and in that event it is made bis duty to the constitution thus ratified transmitted to the Congress of the United States for the admission of the State into the Union.

At this election every citizen will have an opportunity of expressing his opinion by his vote "whether Kansas shall be received into the Union of the inhabitants shall refuse to vote, a fair opportunity to do so having been presented, this will be their o signatures to the constitution.

ces. the ther Kansas shall be a free or a slave State must seventually, under some authority, be decided by an election: and the question can never be more clearly or distinctly presented to the people than it is at the present moment. Should this opportunity be rejected, she may be involved for years in domestic discord, and

possibly in civil war, before she can again make up the issue now so unfortunately tendered, and again reach the point she has already attained. Kansas has for some years occupied too much of the public attention. It is high time this should abstained. Intrusted with the duty of taking of the public attention. It is high time this should 'care that the laws be faithfully executed,' my only desire was that the people of Kansas should furnish to Congress the organic act, whether for or against slavery; and in this manner smooth their passage into the Union. In emerging from the condition of territorial dependence into that of a sovereign State, it was their duty, in my opinion, to make known their will by the votes of the make known their will by the votes of the solution of the people, no human power can prevent them the solution of the public attention. It is high time this should be directed to far more important objects. When one admitted into the Union, whether with or without slavery, the excitement beyond her own timits will speedily pass away, and she will then this will speedily pass away, and she will then this will speedily pass away, and she will then this manner smooth their passage into the Union, whether with or without slavery, the excitement beyond her own timits will speedily pass away, and she will then this manner smooth their passage into the Union. It is high time this should be directed to far more important objects. When once admitted into the Union, whether with or without slavery, the excitement beyond her own timits will speedily pass away, and she will then this should be directed to far more important objects. When once admitted into the Union, whether with or without slavery, the excitement beyond her own timits will speedily pass away, and she will then this manner smooth their passage into the Union, whether with or without slavery, the excitement beyond her own timits will speedily pass away, and she will then this once admitted into the Union, whether with or without slavery, the excitement beyond her own timits will speedily pass away, and she will then this subject of salvery or any other time belf, as for the first time belf, as for the first time belf, as for the first time belf into the Union, whether with or wi majority, on the direct question whether this important domestic institution should or should not continue to exist. Indeed, this was the only possible mode in which their

slavery.

A territorial government was established for Utah by act of Congress approved the 9th September, 1850, and the Constitution and laws of the United States were thereby extended over it "so United States were thereby extended over it "so far as the same, or any privisions thereof, may be applicable," The act provided for the appointment by the President, by and with the advice and consent of the Senate of a governor, who was to ex-office superintendent of Indian Affairs, a Secretary, three Judges of the Supreme Court, a Marshal, and a district attorney. Subsequent not provided for the appointment of the officers necessary to extend our land and our Indian system over the Territory Brigham Young was appointed the first governor on the 20th of September 1850, and has held the office ever since. Whilst Governor Young has been both governor and superintendent has held the office ever since. Whist Governor Young has been both governor and superintendent of Indian affairs throughout this period, he has been at the same time the head of the church called the Latter-Duy Saints, and professes to govern its members and dispose of their property by direct inspiration and authority from the Almighty. His power has been, therefore, absolute over both Church and State.

rch and State The people of Utah, almost exclusively, belong to his church, and believing with a fanatical spirit that he is governor of the Territory by divine ap-pointment, they obey his commands as if these were direct revelations from Heaven. If, therefore, he chooses that his government shall come into collison with the government of the United States, the members of the Mormon church will yield implicit obedience to his will.

yield implicit obedience to his will.

Unfortunately, existing facts leave but little donbts that such is his determination. Without entering upon a minute history of occurrences, it is sufficient to say that all the officers of the United States, judicial and executive, with the single exception of two Indian agents, have found it necesseption of two Indian agents, have found to necessary for their own personal safety to withdraw from the Territory, and there no longer remains any government in Utah but the despotism of Brigham Young. This being the condition of affairs in the Territory, I could not mistake the path of duty.—As Chief Executive Magistrate I was bound to restart the surrement of the constitution and learners. As their Executive Magistrate I was bound to restore the supremacy of the constitution and laws within its limits. In order to effect this purpose, I appointed a new Governor and other federal officers for Utah, and sent with them a military force for their protection, and aid as a posse comitatus, in case of need, in the execution of the laws.

With the religious opinions of the Mormons, as long as they remained mere opinions, however deplorable in themselves and revolting to the moral and religious sentiments of all Christendom, I had no right to interfere. Actions alone, when in violation of the production of the constitution and large of the Visited ation of the constitution and laws of the United States, become the legitimate subjects for the juction of the civil magistrate. overline coordinate with these principles. At their date a hope was indulged that no necessity might exist for employing the military in restoring and maintaining the authority of the law; storing and maintaining the authority of the law; but this hope has now vanished. Governor Young has by proclamation, declared his determination to maintain his power by force, and has already committed acts of hostility against the United States. Unless he should retrace his steps the Territory of Utah will be in a state of open rebellion. He has committed these acts of hostility notwithstanding Major Van Vliet, an officer of the army, sent to Utah by the commanding general to purchase provisions for the troops, has given him the strongest Utah by the commanding general to purchase pro-visions for the troops, has given him the strongest assurances of the peaceful intentions of the govern-ment, and that the troops would only be employed

ment, and that the troops would only be employed as a posse comitatus when called on by the civil authority to aid in the execution of the laws.

There is reason to believe that Gov. Young has long contemplated this result. He knows that the continuance of his despotic power depends upon the exclusion of all settlers from the Territory exthe exclusion of all settlers from the Territory except those who will acknowledge his divine mission and implicity obey his will; and that an enlightened public opinion there would soon prostrate institutions at war with the laws both of God and man. He has, therefore, for several years, in order to maintain hts independence, been industriously employed in collecting and frabricating arms and munitions of war, and in disciplining the Mormons for military service. As Superintendent of Indian Affairs, he has had an opportunity of tampering with the Indian tribes, and exciting their hostile feelings against the United citing their hostile feelings against the United States. This, according to our information citing their hostile feelings against the United States. This, according to our information he has accomplished in regard to some of these tribes, while others have remained true to their allegiance, and have communicated his intrigues to our Indian Agents. He has laid in a store of provisions for three years, which, in case of necessity, as he informed Major Van Viet, he will concept that the the tribe the mountains and

will conceal "and then take to the mountains, and bid defiance to all the power of the government." A great part of this may be idle boasting; but yet no wise government will lightly esti-mate the efforts which may be inspired by such phrensied fanticism as exists among the Mormons in Utah. This is the first rebellion which has existed in our Territories; and humanity itself requires that we should put it down in such a manner that it shall be the last. To trifle with it would be to encourage it, and to render it formidable. We ought to go there with such an imposing force as to convince these deluded people that resistance vould be vain, and thus spare the effusion of

We can in this manner best convince them hat we are their friends, not their enemies.-In order to accomplish this object it will be ecessary, according to the estimate of the War Department, to raise four additional regiments; and this I earnestly recommend to Congress. At the present moment of depres-sion in the revenues of the country, I am sorry to be obliged to recommend such a measure; but I feel confident of the support of Congress, cost what it may, in suppressing the insurrec-tion and in restoring and maintaining the sovereignty of the constitution and laws over the Territory of Utah.

I recommend to Congress the establishment of a

territorial government over Arizona, incorporation with it such portions of New Mexico as they may deem expedient. I need scarcely adduce arguments in support of this recommendation. We are bound to protect the lives and property of our ditizens inhabiting Arizona, and these are now with the country repetation. Their present number is nanoting Arizona, and these are now without efficient protection. Their present number is already considerable, and is rapidly increasing, notwithstanding the disadvantages under which they labor. Besides, the proposed Territory is believed to be rich in mineral and agricultural resources, especially in silver and copper. The mails of the United States to California are now carried ever it throughout its whole return, and this route over it throughout its whole extent, and this route is known to be the nearest, and believed to be the

is known to be the nearest, and believed to be the best to the Pacific.

Long experience has deeply convinced me that a strict construction of the powers granted to congress is the only true, as well as the only safe theory of the constitution. Whilst this principle shall guide my public conduct, I consider it clea shall guide my public conduct, I consider it clear that under the war making power Congress may appropriate money for the construction of a mili-tary road through the Territories of the United States, when this is absolutely necessary for the defence of any of the States against foreign indefence of any of the States against foreign invasion. The Constitution has conferred upon Congress power to "declare war," "to raise and support armies," "to provide and maintain a navy," and to call forth the militia to "repel invasions." These high foreign powers necessarily involve important and responsible public duties, and among them there is none so sacred and so imperative as that of preserving our soil from the invasive as that of preserving our soil from the invasamong them there is none so sacred and so ative as that of preserving our soil from the serve us that of preserving our soil from the invasion of a foreign enemy. The constitution has therefore, left nothing on this point to construction, but expressly, requires that "the United States shall protect each of them [the States] against invasion." Now, if a military road over our own Territories be indispensably necessary to enable us to meet and repet the invader, it follows

sary consequence not only that we pos (CONCLUDED ON FOURTH PAGE.)